



STATE SENATOR ROBERT MEEKS

Indiana State Senate
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2004 Post-Session Newsletter

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PROPERTY TAX

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indication of how much wealth a person has and certainly not indicative of the person's income and ability to pay taxes.

This most recent reassessment evaluated land based upon market value. The Supreme Court ruled that the previous method of reassessment was unfair to homeowners because homes with similar values were assessed differently.

Some citizens have recommended moving toward a system based more on a citizen's ability to pay, such as a higher income and sales tax. No tax is popular, and especially not the income tax, which has not been well-received by the public in the past when it was proposed. Increasing the sales tax also may create more problems because it is not based on one's ability to pay and hurts poor people the most. And right now, an increase of two or three pennies on the dollar is not enough to make up the billions needed in order to eliminate the property tax.

One of the reasons that this move toward elimination of the property tax is difficult for governments is that it is a very stable form of revenue. In times of recession, such as the last several years when citizens' income levels were lower, sales and income tax collections decreased, and the state has had trouble funding essential government programs and services.

Legislators want to help those with high property tax bills. In the 2002 special session, the legislature raised the sales tax a penny and dedicated all of the money to property tax relief for homeowners. Currently, one third of the state budget goes toward property tax relief, dedicating over \$3.6 billion a year.

We have worked to solve those problems that can be fixed immediately. We'll continue to explore ways to reduce the reliance on property tax and work toward solutions that reflect the concerns of all citizens across Indiana.

Honoring America's Heroes



Senator Meeks speaks on a resolution honoring the men and women of the First Battalion of the 152nd Infantry Regiment. About 650 soldiers from this regiment were activated on Jan. 1, 2003, and were sent to Iraq and Kuwait on Feb. 11, 2003.



State Senator Robert Meeks

Serving District 13 — LaGrange, Noble, Steuben, DeKalb and Kosciusko Counties



2004 Facts & Figures

The Second Regular Session of the 113th General Assembly began on Organization Day, November 18, 2003, and adjourned March 4, 2004.

This non-budget year is known as the "short" session.

Senate bills introduced: 503
Senate joint resolutions introduced: 10

Senate bills passed: 18
Senate joint resolutions passed: 0

House bills introduced: 459
House joint resolutions introduced: 7

House bills passed: 80
House joint resolutions passed: 0

Percent of introduced bills that were sent to the governor: 10%

For more information about the General Assembly's 2004 session, visit us online at: www.in.gov/legislative

Why Do We Have Property Taxes?

The property tax is the most difficult tax to comprehend. There has been a lot of talk in the media lately about the property tax situation in Indiana. Some of the issues regarding property taxes can be confusing, and I would like to help clarify some of your frequently-asked questions.

Property taxes fund the majority of local government operations. According to the National Conference of State Legislatures, local government relies upon property taxes for almost 90 percent of its tax revenue. These taxes pay for a variety of services, including teachers' salaries, school buildings, parks, police and fire protection, libraries, poor relief and other municipal and school functions. In Indiana, state government receives less than one tenth of a percent of all property taxes collected.

Some citizens believe that the property tax is outdated, and unfair to those who have to pay it. Historically, property taxes have funded local governments in the United States since the mid-1800s. Back then, ownership of property was a better

What Senate Enrolled Act 1 Does:

- Allows counties to waive penalties assessed for late payment of property taxes
- Allows taxpayers to pay their property taxes in installments
- Extends the filing deadline for existing property tax deductions and exemptions
- Requires approval from elected officials of significant property tax increases by non-elected boards, such as libraries.
- Streamlines the property tax appeal process to make it easier for taxpayers
- Requires assessors to use most favorable assessment method for rental properties
- Repeals local governments' ability to raise and spend excess levies and requires any excess funds to be used to reduce future levies

indicator of a person's wealth. More property meant more wealth. It was fair to tax a person's land because it was more representative of how much money they earned.

Today, fairness is not so clear. Ownership of property is not always an

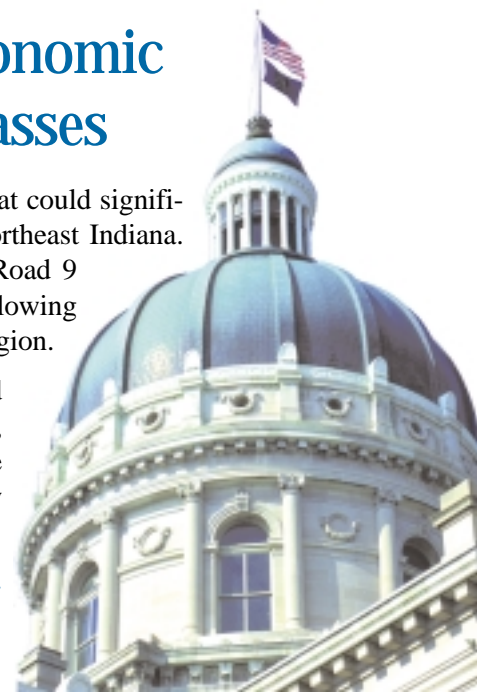
— see PROPERTY TAX, page 4

Northeast Indiana Economic Development Bill Passes

Co-authored Senate Enrolled Act 19, a bill that could significantly enhance the economic viability of Northeast Indiana. The provision designates portions of State Road 9 and U.S. 30 as extra heavy duty highways, allowing steel mills to transport goods in and out of the region.

Traditionally, the Northwest region controlled Indiana's share of the steel industry. Fortunately, Steel Dynamics, Inc. (SDI) helped increase Northeast Indiana's portion of the industry by locating plants in Columbia City and Butler.

— see STEEL DYNAMICS, page 4



The Future of the Public Employees' And Teachers' Retirement Funds

Every hard-working American dreams of the day when retirement becomes more than a distant dream. Most of us spend the majority of our adult life working hard to ensure our golden years remain free from financial worries by investing in IRA's and mutual funds. In recognition of this fact, the state offers public employees and teachers a means to prepare for the future with the Public Employees' Retirement Fund (PERF) and the Teachers' Retirement Fund (TRF).

The Indiana Public Employees' Retirement Fund consists of a \$10 billion system of funds designed to provide secure, long-term pension benefits for employees who choose careers in public service. It is funded by 1,047 employers and more than 200,000 active members.

In 1921, the General Assembly created the Indiana State Teachers' Retirement Fund. Like PERF, TRF guarantees a variety of pension benefits to qualifying retirees and surviving spouses. Pension benefits include a monthly stipend.

For most beneficiaries, the pension serves as the only source of income. In order to compensate for inflation, the legislature often appropriates additional monies to the funds to allow for cost of living increases.

This session, I sponsored House Enrolled Act 1306, which provides a 2 percent cost of living adjustment for members, survivors, and beneficiaries of PERF and a cost of living adjustment for members, survivors, and beneficiaries of TRF.

I hope this measure will provide retirees with a peace of mind regarding their financial future.

Guarding Liberty: Legislature Defends Gun Owners' Rights

"The people shall have a right to bear arms, for the defense of themselves and the State."

*Article 1, Section 32
Indiana Constitution*

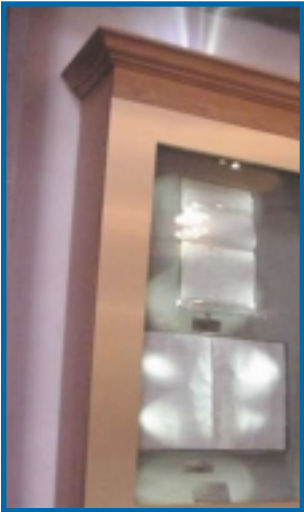
The Indiana Constitution grants us the freedom to own firearms and store them in our homes. In Indiana, however, if someone is in your home, steals your gun, and injures or kills someone, you can be held liable.

Last April, the Indiana Supreme Court ordered gun owners to store their guns properly in their own homes or face possible lawsuits. We in the Senate want to protect gun owners in Indiana who are law-abiding citizens. I sponsored House Enrolled Act 1349, which prevents gun owners from being sued if their guns were stolen and used to commit a crime.

Many opponents of this legislation argue that the bill grants too much protection to gun owners, especially those who are reckless in storing their guns. On one hand, gun owners should be responsible for their guns and keep them in safe places away from strangers and known criminals. However, this bill does not protect

those who are reckless.

Should you be held liable for the unconscionable acts committed by a criminal simply because your property assisted in that act? Clearly, the legislature believes the answer should be no. The protection afforded in the legislation is no different than if someone were to steal your car, which you legally own, and injure someone with it. The driver, not the owner, maintains liability.



HEA 1349 also limits the ability of Indiana's prison inmates to file frivolous lawsuits. Some offenders file lawsuits repeatedly, and this bill allows a judge to dismiss them if they have no merit. These suits tie up the local courts and make it difficult to conduct legitimate business.

This provision attempts to restore social responsibility and place blame where it belongs — on the offender, not the law-abiding citizen.

WORKING - for - JOBS

In 2003, the Senate passed legislation with significant economic development measures, dubbed the JOBS plan. Economic development is full time work, and we are constantly trying to improve our business climate here in Indiana to help more Hoosiers find jobs.

Despite a \$1 billion state budget deficit, the Senate has continued to seek new ways to foster a more competitive atmosphere for businesses in Indiana.

One critical bill, House Enrolled Act 1365, passed the Senate this session and should provide some new momentum for our economic development efforts. It is a combination of several bills that focus on expanding small business investment, improving research and development and encouraging growth around the state.

Economic Development Provisions in HEA 1365

- Makes several research and investment tax credits permanent.
Economic Importance: Businesses will have confidence to invest in creating innovative new products knowing the credits are stable.
- Adds the Emerging Technology Grant Fund to the 21st Century Research and Technology Fund.
Economic Importance: The Fund will match federal grants for small-sized technology-based businesses to accelerate the commercialization of new discoveries in the life sciences, information technology, advanced manufacturing, or logistics industries.
- Gives tax incentives to businesses who locate new or expanded operations on closed military bases.
Economic Importance: Incentives given to businesses on Grissom Air Force Base, Fort Benjamin Harrison and Crane Naval Surface Warfare Center will spark the local economy. New tax incentives



At a Statehouse news conference, Senator Meeks speaks to reporters about the plummeting revenue forecasts, and the state's need for new economic development measures. Currently, the state leads the nation in jobs lost and is ranked 2nd only to California in initial jobless claims.

are vital due to the elimination of the inventory tax by 2007.

- Improves rules regarding Community Revitalization Enhancement Districts (CREDs).

Economic Importance: CREDs are important economic development tools for the downtown areas of our cities. Expanding and improving CREDs will further these efforts.

- Allows local governments to assess an annual fee to recipients of tax abatements.

Economic Importance: The fee would be used by local economic development boards to help provide more jobs within the area. It would help small rural communities that do not have big budgets for economic development.

- Repeals the sales tax on complimentary hotel rooms.

Economic Importance: Indiana will be more competitive with other states in attracting tourism and convention business.

The provisions mentioned are only several of many economic development bills filed this session. We will continue our effort to provide Indiana with the tools needed to improve our economic climate.

STEEL DYNAMICS CONTINUED FROM PAGE 1

SDI currently maintains a competitive disadvantage with the steel mills located in Northwest Indiana because the surrounding roads significantly restrict the load weight. Thus, SDI can

place only half a load on its trucks, drastically increasing labor and transportation costs.

SEA 19 gives SDI a clear route to Ohio and promises to lower the company's overhead. The money saved allows the company to expand even further and create more jobs for the citizens of Northeast Indiana.

HOUSE ENROLLED ACT 1265 — Establishes a program pooling state employees to negotiate lower prices for bulk purchases of prescription drugs. Applies to schools, state colleges and universities, and cities and towns. **PASSED. My vote: YES**

SENATE BILL 85 — Makes it illegal to have open alcoholic beverage containers in a motor vehicle, regardless of whether or not the driver has been drinking. This law could bring Indiana \$13.5 million in federal funds. **FAILED. My vote: YES**

HOUSE ENROLLED ACT 1082 — Requires a review of entries in the Missing Children Clearinghouse within 60 days after the review required by laws governing reports made to the National Crime Information Center (NCIC). **PASSED. My vote: YES**

HOUSE ENROLLED ACT 1194 — Opens state records regarding a child who died as a result of abuse, abandonment, or neglect. Requires extensive background checks on all members of a household for temporary and permanent placements. **PASSED. My vote: YES**

HOUSE ENROLLED ACT 1394 — Stiffens penalties for drunk driving offenses. Requires lifetime license suspension of a person with two convictions for OWI causing death. Passed in honor of Rep. Roland Stine. **PASSED. My vote: YES**

SENATE ENROLLED ACT 1229 — Changes several provisions in the Indiana Code that will protect consumers from predatory lending. Requires the department of commerce to provide home ownership education programs. **PASSED. My vote: YES**